

## **Historic, archived document**

Do not assume content reflects current scientific knowledge, policies, or practices.



# Foreign Crops and MARKETS



VOLUME 49

NUMBER 3

JULY 17, 1944

*See P. 217*

## IN THIS ISSUE

	Page
<b>GRAINS AND GRAIN PRODUCTS</b>	
Grain Crop Prospects in Canada, Sweden, and Ireland	31
<b>VEGETABLE OILS AND OILSEEDS</b>	
Peanut Acreage in Cuba	20
Brazil's Tung-Oil Surplus	32
South African Tung Production	32
Canadian Flaxseed Condition	32
<b>COTTON AND OTHER FIBERS</b>	
Peruvian Cotton Industry	30
Paraguayan, Argentine, and Venezuelan Cotton Crops	32-33
<b>TOBACCO</b>	
Argentine Tobacco Regulations	33
Paraguayan Export Control	34
Sweden's Tobacco Acreage	34
<b>FRUITS, VEGETABLES, AND NUTS</b>	
Role of Potatoes in British Wartime Agriculture	26
Cuban Bananas Moving to U.S.	34
<b>LIVESTOCK AND ANIMAL PRODUCTS</b>	
U.S. Imports of Mexican Cattle	28
Canadian-U.K. Beef Trade	34
Uruguayan Wool Market	35
Uruguay to Import Butterfat	35
<b>MISCELLANEOUS</b>	
Cuban Sugar Income High	27
Canada Cancels Duties on Farm Machinery and Parts	36

## MEXICO INCREASES EXPORT CONTROL

In a new move that will act as an export-control measure and make impossible the exportation of certain commodities vitally needed at home, the Mexican Government on July 1 promulgated decrees listing over 500 commodities that henceforth are to be subject to export control, and establishing new high export duties on a number of commodities.

Among the items listed as being subject to export control are cattle and hogs; various meats; eggs; honey and beeswax; wool; hides; bristles and manes; beans and lentils; potatoes; grains; cocoa and products; fodder; cotton; peanuts and oilseeds; sugar, sirup, and molasses; various oils and fats; flour; certain canned foods; cheese and preserved milk; fertilizers; jute and henequen sacks; and rubber and products.

New high export duties were decreed on a long list of commodities, the great majority of which heretofore either were free of duty or paid only a nominal one. Included on this list were barnyard eggs, beans, rice, corn, wheat and wheat flour, peanuts, sesame, cottonseed, sugars, etc.; cocoa and products; and fats and oils. In many instances the new duties approximated or exceeded the market price.

ISSUED BY THE OFFICE OF FOREIGN AGRICULTURAL RELATIONS  
UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.



## POTATOES PLAYING IMPORTANT ROLE IN BRITISH WARTIME AGRICULTURE

The increased attention devoted to potatoes by British farmers since the beginning of the war constitutes one of the significant developments of Britain's wartime agriculture. Potatoes have been produced and consumed in the United Kingdom for many years but never in such large quantities as at present. Early in the war the activities of the Potato Marketing Board were either suspended or taken over by the Ministry of Food, which now controls all phases of potato marketing through Great Britain and Northern Ireland.

In response to wartime demands for increased domestic production of foodstuffs, the United Kingdom's potato acreage, as well as that of many other crops, was greatly expanded. By 1943 the potato acreage showed an increase of approximately 90 percent compared with the 1936-1938 average. While due in part to reduced imports of potatoes as well as of other vegetables from Ireland, the Channel Islands, and nearby producing areas on the Continent, the striking increase in the potato acreage also reflects the greatly increased requirement of potatoes for food and an expanded industrial use.

Per capita consumption of potatoes for human food has increased by 45 percent in the United Kingdom since the beginning of the war. Potatoes thus have helped to offset deficiencies in certain foods imported before the war. Such an appreciable dietary change might well prove to have some lasting effect upon post-war consumption. Whether potato consumption will continue at the current high level after the war remains to be seen. Moreover, the post-war demand for industrial purposes may also continue at a higher level than before the war. In addition, future increased livestock numbers might call for increased quantities of potatoes for feeding purposes.

The general scheme of marketing control for potatoes, developed in the United Kingdom since 1940, was renewed for the 1944 crop with only slight changes, principally a reduction in the fixed-price schedule. The new control orders, which became effective as of April 30 for Great Britain and June 12 for Northern Ireland, include an acreage subsidy, fixed prices, marketing regulations, and transport arrangements.

The Food Ministry now regulates potato prices from producer to consumer. Grower's fixed prices for early potatoes this season

were reduced below last season's level by amounts varying from £2 (about \$8) per long ton at the beginning of the season to 10s. (\$2) at the end of July. The actual prices which they are to receive for intermediate and late-crop potatoes are not known as yet.

The Food Ministry took over control of potato marketing from the Potato Marketing Board in December 1939. In July 1940, the Ministry announced that minimum prices would be guaranteed for the 1940 crop. The guaranteed prices, payable to growers, were fixed on the basis of districts and varieties. The price per long ton for Grade A varieties ranged from 110s. to 125s. (\$21 to \$24) and for Grade B varieties from 90s. to 105s. (\$17 to \$20).

In the summer of 1941, a subsidy of £10 (\$40) per acre was inaugurated for all land under potatoes. This subsidy was in addition to the guaranteed minimum price. That arrangement substantially benefits potato growers who are obtaining low yields per acre. It also minimizes the financial hazard of crop failure for farmers who have no previous experience in potato growing. Taking into account the acreage subsidy and the higher fixed prices for the crop that year, the returns to growers in 1941 actually averaged about 15s. (\$3) per long ton higher than in the previous year.

The year 1942 saw a slight increase in the price payable per long ton, and certain minor adjustments were made in 1943. With the average yield of 7 long tons per acre in 1943 and an average price of 120s. (\$24) per long ton plus the continuing £10 (\$40) acreage subsidy, the grower last year received an income approximating £50 to £55 (\$202 to \$222) per acre.

Growers' fixed prices apply equally to purchases made by "authorized potato collectors" who buy for the Ministry of Food as well as to those made by "licensed potato

(wholesale) merchants," and "licensed potato (retail) buyers." Also maximum wholesale prices to retailers and maximum retail prices to consumers are fixed by the Ministry. No grower who has contracted to deliver any part of his stocks to any authorized collector may otherwise dispose of such stocks except on altered loading instructions issued by an officer of the Ministry.

In the interest of maximum production, potatoes cannot be lifted before fully mature. Feeding of "ware" and seed potatoes to livestock is prohibited. Ware potatoes are those that are sized and graded for human consumption. Only "brook" potatoes, or that part of the crop which is neither of seed nor ware quality, can be used for feeding purposes. Seed potatoes may be sold by growers only to licensed seed dealers.

There was no payment of subsidies on potato production in the United Kingdom prior to the war. Under the Potato Marketing Scheme in operation from 1934 to 1939, the Potato Marketing Board was able to stabilize prices to some extent through regulation of quantities available for human consumption on the basis of size, by the establishment of a national basic potato

acreage, and by the imposition of a levy on excess acreage. The Potato Marketing Board was set up in 1934 in accordance with the Agricultural Marketing Acts passed by Parliament in 1931 and 1933.

The pre-war control of home potato supplies was also accompanied by control of imports. Imports were subjected to quantitative regulation under the Potato (Import Regulations) Order, 1934. In addition, there was a duty on foreign potatoes of £2 (about \$10) per long ton from July 1 to August 31 and £1 (\$5) per long ton for the rest of the year.

In a report dealing with potato marketing under post-war conditions, the Old Potato Marketing Board, whose functions have been taken over by the Ministry of Food, advocated growers' fixed prices and a long-term post-war marketing plan under which production would be maintained at about 5.5 million long tons annually, as compared with about 5 million before the war. The Board also recommended that consideration be given to the constitution of a composite marketing control board representing and safeguarding all interests, consumers as well as producers.

*Based on reports from  
the American Embassy in London*

### CUBAN INCOME FROM 1944 SUGAR CROP HIGHEST IN 20 YEARS

Total income from the 1944 sugar crop in Cuba is estimated at about 327 million dollars, or more than two and a half times the total from the 1941 crop and the highest since 1924. In addition, the United States Government, under the purchase contract, probably will pay about 9 million dollars for extra storage costs, overtime wages for stevedores, and refining charges for that portion of the sugar shipped as refined. This means that the gross income to Cuba will be about 336 million dollars, exclusive of the returns from the alcohol and alcoholic beverage industry, which were estimated at 25 million dollars in 1943 compared with about 3 million in previous years.

The total 1944 income, which compares with 128.3 million dollars in 1941, the last year in which the crop was sold to the regular trade, is about 25 percent above the value of the relatively large 1942 crop purchased by the United States at the same level of prices. The tremendous increase in value over 1941 is attributed in large part to the higher prices received for sugar and molasses, and secondarily to the increased size of the crop. The 1944 crop is only 38 percent larger than that of 1941 but it is valued at 160 percent more.

Sugar production in 1944 is estimated at a total of 4,745,000 short tons, high-test molasses at 225 million gallons, and blackstrap at 230 million gallons. The income from sugar alone is estimated to be about 261 million dollars, whereas that from high-test molasses is 50 million, and from blackstrap 24 million.

The contract price of sugar, exclusive of the extras, is 2.65 cents per pound; of high-test molasses, 22.5 cents per gallon (equivalent to 2.5 cents per pound of total sugar content); and of blackstrap, 10.6



cents per gallon (13.6 cents per gallon for that portion exported or used in the manufacture of export alcohol and 5.62 cents for that used in the manufacture of alcohol for domestic fuel requirements). In 1941 the price of sugar averaged 1.842 cents per pound, of high-test molasses, 6.9 cents per gallon, and of blackstrap, 4.2 cents.

The United States Government has purchased the total exportable surplus of these products during the past 3 years when the sugar-crop income to Cuba aggregated 795

million dollars. In contrast, the income for the immediate preceding 3 years totaled 350 million. It is pointed out, however, that costs of production, processing, and marketing have risen sharply since 1941, but there are indications that net profits to the industry as a whole have been substantial, and to Cuba as a nation, the result has been a level of prosperity not experienced since the early 1920's.

*Based on reports from  
the American Embassy in Habana*

### CATTLE IMPORTS FROM MEXICO SMALLER THAN IN 1943

Shipments of cattle from Mexico into the United States during the first 4 months of this year were about 60 percent smaller than in the corresponding period of 1943, when they were unusually large, but they still were 30 percent larger than the average of recent years. Increased demand and higher prices for slaughter cattle in Mexican consuming centers and lower prices for feeder cattle in the United States account in part for the smaller movement this year as compared with last.

During February and the spring months of 1943, shipments to this country were much above average, as they included a large number of cattle held back on Mexican ranches in late 1942 and sent to the United States after January 31, 1943, when the reduced tariff rate of 1.5 cents per pound on all weights of cattle became effective. Moreover, cattle prices in this country during the early part of 1943 rose sharply to the highest levels reached during the war period. Prices of feeder cattle and the lower grades of slaughter cattle advanced relatively more than the prices of the better grades of slaughter animals.

The United States market for Mexican cattle, therefore, was unusually favorable during the first part of 1943. During the second half of the year, prices of feeder stock declined sharply. Although they improved somewhat in the early months of this year, they were lower than a year earlier, and consequently were not so attractive to Mexican cattle producers.

The United States is the only foreign outlet of any significance for Mexican cattle. The Mexican Government, however, restricts shipments to this country to 500,000 head annually, or to about the average of the 4 years, 1939-1942. The first quota limitation by the Mexican Government on the movement of cattle into the United States

became effective on June 14, 1943. It was imposed at that time because of uncertainty as to the meat supply in Mexico, where the wartime consumer demand, as in the United States, had risen to unusually high levels as a result of increased employment and purchasing power. Late in December 1943, the Mexican Government announced that the quota on cattle exports would be extended throughout 1944.

Pastures and grazing conditions in Mexico have been fairly favorable during most of this year, but some areas, particularly in northern Mexico, have been in need of rain. During the past 2 years, the Sonora region has suffered considerably from drought. This year, similar conditions have prevailed in much of the adjacent area across the border in the United States. That fact has tended to restrict the movement of cattle to this country that might otherwise have occurred, with a view to finding more favorable grazing conditions here. Pastures in the area near Laredo and Matamoros also have been in need of rain this spring although recent showers have alleviated the drought there to some extent.

Trading in cattle in the Mexican market has slowed down recently and prices have declined moderately, dropping 50 cents to \$1 per 100 pounds. Producers now appear inclined to hold their cattle in the hope that

prices may improve later. Because of a scarcity of beef in Mexico City during the spring, buyers from that market found it necessary to go outside the usual areas of supply, and they purchased relatively large numbers of cattle in Vera Cruz. For a brief period, meat supplies also were inadequate for local demand in Guadalajara, Mexico's

second largest city, but this situation now appears to be remedied.

Mexican ranchers have experienced considerable difficulty in obtaining sufficient fuel oil to operate their pumps for maintaining supplies of stock water. Other materials needed for ranch maintenance also have been difficult to purchase.

C. A. Burmeister

### PEANUT ACREAGE IN CUBA REDUCED

The area planted to peanuts in Cuba this year is not expected to exceed 80,000 acres, a reduction of about 20 percent from the 1943 acreage. The anticipated reduction is attributed to a number of factors. Included among them are the following: Delayed seeding of the crop because of severe drought; a temporary shortage of labor and draft animals at planting time due to the near-record sugarcane crop then being harvested; low yields of peanuts in 1943, largely as a result of dry weather; and the availability of competitive oils in limited quantities from the United States at lower prices than those prevailing for domestic peanut oil. An abundant supply of imported lard at slightly reduced prices and a realization that Cuban producers of peanuts may not be able to compete with large producing countries in post-war years also have had some bearing on the current lack of interest in the development of a peanut industry in Cuba.

The 1943 peanut production (both summer and winter crops) amounted to about 72 million pounds (in the shell) instead of 95 million pounds, as estimated earlier. Only 64 million pounds were available for crushing which was completed in May 1944. Although considerably smaller than the goal set by the Government, the crop was about 71 percent larger than that of 1942 and 23 percent larger than the previous record crop of 1941.

Cuban import requirements for edible vegetable oils were reduced to around 5 million pounds in 1944 from a pre-war level of 20 to 25 million pounds. As a result of the anticipated reduction in the 1944 peanut crop, however, import requirements in 1945 may be larger than in 1944.

A peanut expansion program was initiated in Cuba in 1943 with the aid of 5.7 million pounds of seed peanuts (Spanish type) provided by the United States Commodity Credit Corporation, to be paid for in cash at a later date or replaced before October 1, 1944, with peanuts from the 1943 crop. Drought and late arrival of the seed caused a delay in planting and about 2.6 million pounds of the imported seed were never used. Later, the crop was damaged by fungus diseases resulting from excessive

rainfall. For these reasons, producers were rather discouraged with their first efforts to grow Spanish-type peanuts.

A tentative estimate for the 1944 crop, based on a planted area of 80,000 acres and an average yield of 750 pounds to the acre indicates a probable crop of about 60 million pounds of peanuts. Crushing capacity is believed to be about 40 percent greater than this production estimate.

Most of the 1943 crop was sold by growers at Government-established prices of 3.55 pesos per 100 Spanish pounds (\$70 per short ton) for native Chino-type peanuts and 3.80 pesos (\$75) for Spanish-type peanuts, f.o.b. local railroad station. The average cost of moving the peanuts to the crushing mills is estimated at about \$17 per short ton, making the cost of peanuts placed in the mills around \$90 per ton.

Stocks of edible oils in Cuba on June 1 were estimated at 10 million pounds, and additional imports before September 1 are expected to total about 1 million pounds. Consumption requirements for June, July, and August are estimated at 6 million pounds, which would leave a balance of 5 million pounds on hand when the new crop arrives in September.

Based on reports from  
American Embassy in Habana



## DEVELOPMENTS IN PERUVIAN COTTON INDUSTRY

The cotton acreage now being picked in Peru is slightly larger than the acreage harvested in 1943, but it still is about 15 percent below that of the 1942 crop year, the base period on which the support price for purchase of the crop by the United States Government is determined. Last year, Peruvian farmers harvested 233,400 bales (of 478 pounds) from 308,200 acres. As a result of unfavorable growing conditions and insect infestation, the yield that year was materially below expectations.

Under terms of an arrangement concluded by American and Peruvian officials in April 1942, the United States agreed to purchase up to 200,000 bales of the 1942 crop at a base price equivalent to 10.69 cents per pound for Type 5 Tanguis cotton. The agreement provided also that the United States for the remaining war years would purchase the Peruvian surplus whenever the domestic price fell below the support price, with certain qualified limitations to discourage increased production. That arrangement was designed in part to offset the disastrous effect on Peruvian cotton growers and the country's national economy of the loss of cotton export markets in England, Europe, and the Orient.

In January 1943, the Government of Peru announced that the country's cotton area that year would be reduced by about 30 percent from a base of approximately 383,000 acres. At the same time, encouragement was offered in the form of a premium of 1.5 percent added to the base price of cotton for each 1 percent decrease achieved in acreage. The land thus released was to be devoted to the production of food crops. Following consummation of the price-support agreement with the United States Government, the Peruvian cotton acreage was cut substantially. The price of cotton in Peru, however, has remained consistently above that at which the United States agreed to purchase. Consequently, little Peruvian cotton has been purchased by the United States.

Traditionally, cotton was Peru's leading export commodity, and a large portion of the annual exports went to England and other European markets until the outbreak of the war. Following the loss of the European markets, Peru shipped large quantities of its cotton to Japan. War developments eventually closed that market also. In recent years, the Peruvian cotton industry has

suffered for want of an export market. Efforts are being made, therefore, to develop the domestic cotton-textile industry and market, to serve as an outlet for some of the cotton accumulating in the country.

The textile industry, firmly established in Peru for many years, has expanded its production rapidly since the beginning of the war. The mills in operation include cotton, woolen, and rayon. All except the rayon mills operated at capacity during 1943. Cotton goods represent the largest part of the industry's output and under the stimulus of wartime demand, production is increasing rapidly. Output in 1942 exceeded 83.1 million yards, or 41 percent above that of 1939. During the same period, working capital increased by 50 percent, while reserve funds doubled. By the end of 1942 a total of 5,500 looms and 130,000 spindles were in operation and raw-cotton consumption was thought to have reached maximum capacity. In 1943, however, consumption reached approximately 53,000 bales of 478 pounds, or about 53 percent more than in 1942. Further increase in consumption is not expected unless more machinery can be obtained for mill expansion.

The woolen industry, depending largely on domestic raw materials, also expanded rapidly. Total consumption of wool during 1943 was approximately 11.5 million pounds, compared with about 7.5 million during 1938 and an average of around 9 million a year from 1938 through 1941. The rayon mills depend entirely on imported yarn, most of which comes from the United States and the United Kingdom, with small amounts from South American countries. Mostly nonessential civilian goods are manufactured.

The importance of the textile industry to the economy of the country was emphasized by the establishment in October 1943 of a minimum-wage scale for textile workers, and



the organization of a Bureau of Textile Affairs to help in the settlement of disputes between employers and workers. This law, together with the support price to growers

provided by the purchase agreement with the United States, places the cotton industry of Peru on a firm basis.

R. E. Bowlus

## LATE COMMODITY DEVELOPMENTS

### GRAINS AND GRAIN PRODUCTS

#### CANADIAN GRAIN CONDITION FAVORABLE

The condition of the wheat crop in Canada on June 30 was estimated to be above average and only slightly below the favorable condition at the same time a year ago, according to a report of the Dominion Bureau of Statistics. The condition of spring wheat was reported at 113 percent of the average long-time yield, compared with 115 percent in 1943 and 136 percent in 1942, when record yields were obtained. Growing conditions have been generally favorable, with temperature averaging from 2 to 4 degrees above normal over virtually the whole of the western grain region since April 1. Rainfall has also been above normal in most parts of the grain area.

CANADA: Condition of grain crops  
June 30, 1944, with comparisons a/

GRAIN	1941	1942	1943	1944
	Percent	Percent	Percent	Percent
Winter wheat:	86	103	82	97
Spring wheat:	80	136	115	113
All wheat ...:	80	135	114	112
Oats .....	87	100	88	98
Barley .....	89	109	89	97
All rye .....	84	95	86	92

From official source.

a/ Long-time average yield per acre = 100.

The condition of feed grains was somewhat more favorable than in 1943, though it was still slightly below average. Oats show the greatest improvement, compared with the 1943 period. Condition reports issued at the end of June are the first official indications of the crop in terms of the long-time average yield. They are subject to

considerable change on the basis of conditions during July, which is a very critical growing period.

#### SWEDEN'S WINTER GRAIN PROSPECTS FAVORABLE

Fall grains in Sweden came through the winter in good condition and were well developed at the beginning of June. Fall sowings represent roughly 80 percent of the total bread grain area in Sweden. Indications pointed to at least an average yield of wheat and rye, though final results will be largely dependent on weather conditions until harvesttime. Present storage space is not expected to be adequate for storing the current crop, and the erection of storage for at least 100,000 metric tons of grain has been recommended by the Minister of Agriculture. If that should not fully cover storage needs, part of the crop is expected to be stored on farms.

#### IRELAND EXPECTS GOOD GRAIN CROP

Preliminary reports indicate that good grain crops are in prospect for Ireland. Weather conditions have been unusually favorable over most of the country, following some damage reported from the dry conditions during April and May. Reports state that wheat was making excellent progress in almost every area in late June. A marked tendency to shift from winter to spring wheat was noted this year, and a considerable proportion of the current crop will be spring wheat, according to reports. The oats crop was also said to be promising, except some late sowings, and an increase in the area seeded to oats was reported for most counties. The straw is shorter than usual as a result of the dry weather.

## VEGETABLE OILS AND OILSEEDS

### BRAZIL HAS EXPORTABLE SURPLUS OF TUNG OIL

Although damage from frost greatly reduced the 1944 tung-nut production in the States of São Paulo and Parana, Brazil, the entire output of oil may be available for export. Crushers' estimate of this year's production is about 85 short tons. There is also a carry-over of 30 tons from last year.

Domestic consumption is expected to decline, as manufacturers are reluctant to pay the current high prices and are shifting to oiticica. Sales of tung oil on the São Paulo market have ranged from 33 to 42 cents per pound, depending upon the quality. Exports last year were insignificant on account of the high price.

The growing of tung trees in the State of São Paulo began about 15 years ago, and the number has been gradually increasing. The State of Rio Grande do Sul is also developing a small tung-oil industry, but the outturn of the 1943-44 crop is not available.

### TUNG PRODUCTION PROGRESSING IN SOUTH AFRICA

While the Union of South Africa has been interested in tung-nut production since the early 1920's, very little progress was made until 1941 when the crop was sufficient to produce 7 short tons of oil; by 1943 the output reached 35 tons. This quantity is sufficient to supply about 50 percent of the Union's requirements. No statistics are available to show the number of trees in the country.

There is a research station at Nelspruit, in the Transvaal, which is encouraging the growth of tung trees in certain areas of the Transvaal lowveld and Natal as these areas appear extremely suitable for tung production. According to the results of tests made by the Imperial Institute on nuts from these areas, the oil content and quality are excellent. The trees are sensitive to scale, and in some instances beetles, termites, and locusts are reported to have done slight damage.

## CONDITION OF CANADIAN FLAXSEED CROP

According to the June 30 survey, the condition of Canadian flaxseed compares favorably with that of the same date in 1943. In the Provinces of Saskatchewan and Manitoba, where the bulk of the crop is grown, the condition was slightly above that of last year.

**CANADA:** Flaxseed condition by Provinces, June 30, 1944, with comparisons (Long-time average yield per acre=100)

PROVINCE	1942	1943	1944
	Percent	Percent	Percent
Ontario .....	94	70	91
Manitoba .....	93	91	95
Saskatchewan ....	94	92	94
Alberta .....	96	87	80
British Columbia :	103	100	100
All Canada ....:	94	91	91

Dominion Bureau of Statistics, Ottawa.

## COTTON AND OTHER FIBERS

### EARLY REPORTS FORECAST RECORD PARAGUAYAN COTTON CROP

On the basis of early reports, it is estimated that Paraguay's current cotton crop will total about 46,000 bales (of 478 pounds), which is considerably larger than last year's record crop of 31,200 bales. Estimates of cotton production have increased since early in the season, when a drought of widespread proportions was prevalent over most of the cotton area. Fortunately, heavy rains fell late in the season, as picking was just starting, and the crop is exceeding earlier estimates. On the basis of the quantity of cottonseed distributed by the Bank of Agriculture, estimates of planted acreage for the 1944 crop are about the same as last year - approximately 100,000 acres.

The importance of the cotton crop in the economy of the country is reflected in the efforts made by the Government to stimulate production, through distribution of good seed and liberal loans to producers; and recently, a fixed price was guaranteed



the growers. According to a Decree-Law of August 1943, this fixed price was set at 2 guaranies per lot of 10 kilos of unginned cotton (about 8.78 cents per pound). When the present crop was planted, there was an exportable surplus of about 43,200 bales in the country, but the majority of this cotton has been exported or contracted for export.

## SECOND FORECAST OF ARGENTINE COTTON CROP

The second official estimate places the 1943-44 cotton crop in Argentina at the equivalent of 433,500 bales of 478 pounds compared with the first estimate of 382,800 bales. The final report for the 1942-43 crop was 497,600 bales. During the past 5 years the second production estimate has averaged about 91 percent of the final report. Favorable weather conditions have benefited the crop considerably since the drought was broken several months ago.

ARGENTINA: Second estimates of cotton production, 1942-43 and 1943-44

Province	1942-43	1943-44
	<i>Bales</i>	<i>Bales</i>
Chaco .....	281,300	332,500
Corrientes .....	36,900	36,000
Formosa .....	32,300	31,800
Santa Fe .....	16,100	12,900
Santiago del Estero :	6,000	12,900
Others .....	5,600	7,400
Total .....	378,200	433,500

Compiled from official sources.

In bales of 478 pounds net.

## INCREASE IN VENEZUELAN COTTON PRODUCTION

The 1943-44 cotton crop in Venezuela is now estimated at about the equivalent of 20,800 bales of 478 pounds, compared with nearly 17,000 bales last year, 14,200 bales in 1941-42, and 13,400 bales in 1940-41. Between 25,000 and 30,000 acres were planted entirely to cotton for the 1943-44 crop, besides close to 20,000 acres which were

planted to cotton along with other crops. Yield per acre of the new crop is much higher than in the past year because of less damage by insects. Imports of raw cotton during 1943 were considerably larger than during preceding years, and most of it came from Argentina rather than from Peru as formerly.

## TOBACCO

### ARGENTINA ESTABLISHES NEW TOBACCO REGULATIONS

New regulations affecting the operations of tobacco manufacturers, exporters, and importers in Argentina were announced in a decree dated May 22, 1944. Under the new regulations, the importation and exportation of leaf and smoking tobacco may be effected only through the ports of Buenos Aires, Rosario, Santa Fe, and Parana. Importers of cigars, cigarettes, and other tobacco products must register with the Tobacco Board, stating the products they import, the names of the manufacturers, net weight of each container, retail prices, and marks involved.

In the future, consignments of tobacco may not be cleared from customs until there has been attached to the customs invoice a certificate of sanitary inspection issued by the Tobacco Board specifying in detail the quantity and commercial types involved. The fee for such inspection has been set at about 1 cent per pound. Similar provisions apply to the exportation of tobacco products except that the inspection fee is only 0.3 cent per pound.

After September 30, 1944, packages of tobacco products sold in Argentina must bear, in addition to the statements already required, an indication of the relative amounts of domestic and imported leaf contained therein. Tobacco manufacturers are required to register with the Tobacco Board and furnish a sample or facsimile of the wrappings or bands used. They are also required to furnish a statement of each type of product manufactured, listing weights, mixtures, and valuation. In cases where

mixtures of foreign and domestic tobacco are changed by more than 20 percent, the statements on the containers must be properly altered. Manufacturers are also required to prepare monthly statements of the amounts of domestic and foreign leaf used in their factories during the preceding month and submit proof of payment of the excise tax on the leaf used.

### PARAGUAY CONTROLS EXPORTS OF LEAF TOBACCO

A recent decree of the Paraguayan Government prohibits the exportation of the lowest and medium grades of leaf tobacco from the 1943-44 crop, except with previous authorization from the Ministry of Industry and Commerce. Although data regarding 1943-44 production are not available, it is reported that unfavorable weather during the growing season and the slight interest shown by producers resulted in low production.

The prohibition on exports of the low and medium grades was necessary to insure sufficient supplies of leaf for use by domestic cigarette manufacturers. Before the war, Paraguay exported about 7.7 million pounds of leaf annually, principally dark types destined to Argentina, Netherlands, Germany, and Belgium. The loss of most of these markets and growers' inclination to turn to more profitable crops has necessitated governmental action to maintain tobacco production through guaranteed minimum prices.

### SWEDEN'S 1944 TOBACCO ACREAGE

The 1944 tobacco acreage in Sweden is estimated at about 803 acres, or slightly more than the 1943 area of 771 acres, which produced about 1,200,000 pounds. Average production during the 5 years 1938-1942 amounted to 936,000 pounds from 582 acres. Although the tobacco acreage has increased slightly in recent years, Sweden is dependent on foreign supplies of leaf for about 90 percent of consumption requirements.

## FRUITS, VEGETABLES, AND NUTS

### CUBAN BANANAS MOVING TO UNITED STATES IN VOLUME

Banana shipments to the United States from Oriente Province, the principal producing region of Cuba, are moving at normal rates. The fruit, however, is of light weight owing to enforced premature harvesting to escape the ravages of sigatoka disease. Harvesting of immature fruit has been stimulated also by the high prices being offered to growers. During pre-war years the bunches averaged around 50 pounds per stem, whereas during the first 3 months of 1944, they averaged around 26 pounds.

Plantains, or cooking bananas, grown principally in Habana Province, are moving in larger-than-normal quantities, especially to the United States. In Cuba the plantain is an important item in the daily diet of most of the people. The local belief is that a good market could be developed for them in the United States, especially since they seem to be palatable, when properly prepared, to most Americans visiting Cuba.

## LIVESTOCK AND ANIMAL PRODUCTS

### CANADIAN BEEF TRADE AGREEMENT WITH THE UNITED KINGDOM

Canada is now negotiating a beef-export agreement with the United Kingdom, details of which probably will be announced in the near future. The negotiations were initiated with a view to assuring an outlet for surplus Canadian beef, now that cattle numbers in the Dominion are at record levels and ample slaughter supplies are in prospect. Shipments of Canadian beef to the United Kingdom have been increasing, and recently have included a considerable portion of the better grades instead of practically all cow beef as formerly.

The British market for Canadian beef now replaces to a large extent the former United States market for surplus Canadian cattle. Purchases of Canadian beef for shipment to the United Kingdom through May



this year amounted to the equivalent of 107,000 head of cattle, that was more than the number of Canadian cattle that could have entered the United States at the reduced rate of duty under the quotas previously in effect.

While the United States reduced its duty and suspended all quota restrictions on beef cattle imports on January 31, 1943, the Canadian Government made cattle exports other than dairy animals subject to license as early as June 15, 1942. Since then few licenses have been issued except for breeding and dairy cattle. The reason was that increased wartime demand for meat in Canada at a time when that country was under contract to ship large quantities of bacon to the United Kingdom, made it necessary to restrict exports of cattle to the United States.

#### URUGUAYAN WOOL MARKET INACTIVE, STOCKS ACCUMULATING

The Montevideo wool market continued inactive throughout June. Stocks of sold and unsold wool have accumulated in recent months, as exports have been relatively small since March. Large quantities of wool already sold to United States purchasers are still awaiting export. A fairly substantial shipment of around 6 million pounds was reported early in June, and another smaller shipment was made late in the month.

Wool exports from Uruguay for the first 8 months of the current season, through May, amounted to 64.4 million pounds and were

6 percent smaller than the below-average shipments for the same period last season. Almost 90 percent of the total went to the United States and most of the remainder to Sweden. Apparent supplies remaining for export during the last 4 months of the season were estimated as of June 1 at approximately 120 million pounds, or an increase of 17 percent over a year earlier.

#### URUGUAY AUTHORIZES IMPORTS OF BUTTERFAT

Importation of butterfat has been authorized by the Uruguayan Government at the request of local butter manufacturers and on the recommendation of the Bureaus of Livestock and Agronomy. A maximum quantity of 40,000 kilograms (88,000 pounds) of butterfat is specified in the resolution published in the *Diario Oficial* of June 22.

The Uruguayan office of Export and Import Control will control the imports by issuing the necessary import permits. The Bureau of Livestock will control the proper pasteurization of the imported butterfat. Purchasers of the imported butterfat, presumably at the processing level, are under the obligation to purchase the locally produced fat, when offered, at 1.30 pesos per kilogram (68.8 cents per pound).

This action by the Government is attributed to the fact that Uruguayan butter production has dropped because of heavy losses of cows during an epidemic of foot-and-mouth disease and the destruction of the last oat crop by insect pests.

## LATE REGIONAL DEVELOPMENTS

#### CUBA SETS UP INDUSTRY DEFENSE BOARD

A National Industry Defense Board was recently set up in the Cuban Ministry of Agriculture to provide closer coordination between various branches of Cuban industrial production and between them and the Government. The Board will be governed by an Executive Committee composed of representa-

tives from various national associations, such as those of sugar producers, cattlemen, cigar manufacturers, industrialists, and labor organizations. It will be expected to advise the Ministry on all matters relating to the development and expansion of industry, and to assist the Government in plans for stabilizing the industrial and economic policy of the nation.

## CANADA CANCELS DUTIES ON FARM MACHINERY AND PARTS

A long-standing grievance of Canadian farmers was removed on June 27 when import tariffs were eliminated for all farm machinery and parts. In addition to placing farm machinery on the free list, the Government at the same time exempted this class of imports from the 10-percent war exchange tax applicable to most imports.

Most items of farm machinery imported from the United States, including items on which concessions were made under the trade agreements, have been dutiable at rates of 5 percent to 7.5 percent ad valorem. The duty on cream separators was as high as 12.5 and on milking machines, butterfat testing equipment, and farm electric generators, 10 percent.

Coincident with the removal of duties and the war exchange tax, the Wartime Prices and Trade Board issued an order requiring importers, wholesalers, and dealers to pass on to the consumer any reduction in their

laid-down costs resulting from the Government action.

So long as farm machinery in the Dominion is subject to strict wartime allocations the removal of duties cannot result in any substantial increase in Canadian imports. The stage will be set, however, for lower priced machinery in volume as soon as restrictions on its manufacture and distribution are withdrawn in the United States and Canada. It is expected that very large quantities of farm machinery will be required in the Dominion immediately after the war to replace machines worn out during the past several years.

The Canadian Government's decision to eliminate the tariff for this class of goods is likely to force down the price of Canadian manufacturers to the United States price level. Whether the machines are manufactured in Canada or imported, the Canadian farmer will benefit by a reduction in his production costs, and his competitive position in the contest for export markets for farm products will be improved.

UNITED STATES DEPARTMENT OF AGRICULTURE  
OFFICE OF FOREIGN AGRICULTURAL RELATIONS  
WASHINGTON, D. C.

OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID  
PAYMENT OF POSTAGE, \$300

